



Billing Code: 4910-60-W

DEPARTMENT OF TRANSPORTATION

Pipeline and Hazardous Materials Safety Administration

[Docket No. PHMSA-2012-0068]

Pipeline Safety: Verification of Records

AGENCY: Pipeline and Hazardous Materials Safety Administration (PHMSA); DOT.

ACTION: Notice; Issuance of Advisory Bulletin.

SUMMARY: PHMSA is issuing an Advisory Bulletin to remind operators of gas and hazardous liquid pipeline facilities to verify their records relating to operating specifications for maximum allowable operating pressure (MAOP) required by 49 CFR 192.517 and maximum operating pressure (MOP) required by 49 CFR 195.310. This Advisory Bulletin informs gas operators of anticipated changes in annual reporting requirements to document the confirmation of MAOP, how they will be required to report total mileage and mileage with adequate records, when they must report, and what PHMSA considers an adequate record. In addition, this Advisory Bulletin informs hazardous liquid operators of adequate records for the confirmation of MOP.

FOR FURTHER INFORMATION CONTACT: John Gale by phone at 202-366-0434 or by e-mail at john.gale@dot.gov. Information about PHMSA may be found at <http://phmsa.dot.gov>.

SUPPLEMENTARY INFORMATION:

Background

On January 10, 2011, PHMSA issued Advisory Bulletin 11-01. This Advisory Bulletin reminded operators that if they are relying on the review of design, construction, inspection, testing and other related data to establish MAOP and MOP, they must ensure that the records used are reliable, traceable, verifiable, and complete. If such a document and records search, review, and verification cannot be satisfactorily completed, the operator cannot rely on this method for calculating MAOP or MOP and must instead rely on another method as allowed in 49 CFR 192.619 or 49 CFR 195.406.

Section 192.619 currently contains four methods for establishing MAOP: 1) the design pressure of the weakest element in the segment; 2) pressure testing; 3) the highest actual operating pressure in the five years prior to the segment becoming subject to regulation under Part 192; and 4) the maximum safe pressure considering the history of the segment, particularly known corrosion and the actual operating pressure. The third method, often referred to as the “grandfather clause,” allows pipelines that had safely operated prior to the pipeline safety MAOP regulations to continue to operate under similar conditions without retroactively applying recordkeeping requirements or requiring pressure tests.

Many of the pipelines being newly subjected to safety regulation in the 1970’s were relatively new and had demonstrated a safe operating history. PHMSA is now considering whether these

pipelines should be pressure tested to verify continued safe MAOP. In its August 20, 2011, accident investigation report on the September 9, 2010, Pacific Gas and Electric Company natural gas transmission pipeline rupture and fire, the National Transportation Safety Board (NTSB) recommended that PHMSA should:

Amend Title 49 CFR 192.619 to delete the grandfather clause and require that all gas transmission pipelines constructed before 1970 be subjected to a hydrostatic pressure test that incorporates a spike test. (P-11-14)

PHMSA will be addressing this recommendation in a future rulemaking.

On January 3, 2012, President Obama signed the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 (Act), which requires PHMSA to direct each owner or operator of a gas transmission pipeline and associated facilities to provide verification that their records accurately reflect MAOP of their post-1970 pipelines within Class 3 and Class 4 locations and in Class 1 and Class 2 locations in High Consequence Areas (HCAs). Beginning in 2013, PHMSA intends to require operators to submit data regarding verification of records in these class locations via the Gas Transmission and Gathering Systems Annual Report.

Operators of both gas and hazardous liquid pipelines should review their records to determine whether they are adequate to support operating parameters and conditions on their pipeline systems or if additional action is needed to confirm those parameters and assure safety. The Research and Special Programs Administration and the Materials Transportation Bureau, PHMSA's predecessor agencies, recognized the importance of verifying MAOP. Prior to 1996, there was a regulatory requirement titled: "Initial Determination of Class Location and Confirmation or Establishment of Maximum Allowable₃ Operating Pressure" at 49 CFR 192.607.

This regulation required operators to confirm the MAOP on their systems relative to class locations no later than January 1, 1973. The regulatory requirement was removed in 1996 because the compliance dates had long since passed. PHMSA believes documentation that was used to confirm MAOP in compliance with this requirement may be useful in the current verification effort.

Advisory Bulletin (ADB-2012-06)

To: Owners and Operators of Gas and Hazardous Liquid Pipeline Systems

Subject: Verification of Records Establishing MAOP and MOP

Advisory: As directed in the Act, PHMSA will require each owner or operator of a gas transmission pipeline and associated facilities to verify that their records confirm MAOP of their pipelines within Class 3 and Class 4 locations and in Class 1 and Class 2 locations in HCAs.

PHMSA intends to require gas pipeline operators to submit data regarding mileage of pipelines with verifiable records and mileage of pipelines without records in the annual reporting cycle for 2013. On April 13, 2012, (77 FR 22387) PHMSA published a Federal Register Notice titled: “Information Collection Activities, Revision to Gas Transmission and Gathering Pipeline Systems Annual Report, Gas Transmission and Gathering Pipeline Systems Incident Report, and Hazardous Liquid Pipelines Systems Accident Report.” PHMSA plans to use information from the 2013 Gas Transmission and Gathering Pipeline Systems Annual Report to develop potential rulemaking for cases in which the records of the owner or operator are insufficient to confirm the established MAOP of a pipeline segment within Class 3 and Class 4 locations and in Class 1 and

Class 2 locations in HCAs. Owners and operators should consider the guidance in this advisory for all pipeline segments and take action as appropriate to assure that all MAOP and MOP are supported by records that are traceable, verifiable and complete.

Information needed to support establishment of MAOP and MOP is identified in § 192.619, § 192.620 and § 195.406. An owner or operator of a pipeline must meet the recordkeeping requirements of Part 192 and Part 195 in support of MAOP and MOP determination.

Traceable records are those which can be clearly linked to original information about a pipeline segment or facility. Traceable records might include pipe mill records, purchase requisition, or as-built documentation indicating minimum pipe yield strength, seam type, wall thickness and diameter. Careful attention should be given to records transcribed from original documents as they may contain errors. Information from a transcribed document, in many cases, should be verified with complementary or supporting documents.

Verifiable records are those in which information is confirmed by other complementary, but separate, documentation. Verifiable records might include contract specifications for a pressure test of a line segment complemented by pressure charts or field logs. Another example might include a purchase order to a pipe mill with pipe specifications verified by a metallurgical test of a coupon pulled from the same pipe segment. In general, the only acceptable use of an affidavit would be as a complementary document, prepared and signed at the time of the test or inspection by an individual who would have reason to be familiar with the test or inspection.

Complete records are those in which the record is finalized as evidenced by a signature, date or other appropriate marking. For example, a complete pressure testing record should identify a specific segment of pipe, who conducted the test, the duration of the test, the test medium,

temperatures, accurate pressure readings, and elevation information as applicable. An incomplete record might reflect that the pressure test was initiated, failed and restarted without conclusive indication of a successful test. A record that cannot be specifically linked to an individual pipe segment is not a complete record for that segment. Incomplete or partial records are not an adequate basis for establishing MAOP or MOP. If records are unknown or unknowable, a more conservative approach is indicated.

PHMSA is aware that other types of records may be acceptable and that certain state programs may have additional requirements. Operators should ensure all records establish confidence in the validity of the records. If a document and records search, review, and verification cannot be satisfactorily completed to meet the need for traceable, verifiable, and complete records, the operator may need to conduct other activities such as in-situ examination, measuring yield and tensile strength, pressure testing, and nondestructive testing or otherwise verify the characteristics of the pipeline to support a MAOP or MOP determination.

PHMSA is supportive of the use of alternative technologies to verify pipe characteristics. Owners and operators seeking to use alternative or non-traditional technologies in the determination of MAOP or MOP, or to meet other regulatory requirements, should first discuss the proposed approach with the appropriate state or Federal regulatory agencies to determine its acceptability under regulatory requirements.

PHMSA will issue more direction regarding how operators will be required to bring into compliance gas and hazardous liquid pipelines without verifiable records for the entire mileage of the pipeline. Further details will also be provided on the manner in which PHMSA intends to require operators to reestablish MAOP as discussed in Section 23(a) of the Act.

Finally, PHMSA notes that on September 26, 2011, NTSB issued Recommendation P-11-14: Eliminating Grandfather Clause. Section 192.619(a)(3) allows gas transmission operators to establish MAOP of pipe installed before July 1, 1970, by use of records noting the highest actual operating pressure to which the segment was subjected during the five years preceding July 1, 1970. NTSB Recommendation P-11-14 requests that PHMSA delete §192.619(a)(3), also known as the “grandfather clause,” and require gas transmission pipeline operators to reestablish MAOP using hydrostatic pressure testing. PHMSA reminds operators that this recommendation will be acted upon following the collection of data, including information from the 2013 Gas Transmission and Gathering Pipeline Systems Annual Report, which will allow PHMSA to determine the impact of the requested change on the public and industry in conformance with our statutory obligations.

Issued in Washington, DC, on _May 1, 2012_____ .

Alan K. Mayberry,

Deputy Associate Administrator for Field Operations.

[FR Doc. 2012-10866 Filed 05/04/2012 at 8:45 am; Publication Date: 05/07/2012]